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November 26, 1996

Mr. David Waddell, Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

Dear Mr. Waddell:

As we promised during the hearing in the TRA Docket No. 96-01235 and in accordance with the TRA's order dated November 12, 1996, attached are three copies of United Telephone-Southeast, Inc.'s IntraLATA Toll Dialing Parity Plan for United's LATA in the state of Tennessee. Our planned implementation date is on or before June 24, 1997. The plan contains information on how we will handle existing and new customers, communicate with carriers, and recover incremental costs of implementation. Subsequent to TRA review and approval of our plan, United will file a tariff detailing the charges and appropriate terms and conditions.

The cost study supporting the IntraLATA Toll Dialing Plan cost recovery section is considered proprietary information by United and is being provided with the plan under separate cover.

By my signature below, I certify that a copy of the plan has also been sent to the Consumer Advocate Division.

If there are any questions, please contact Kim Denton, Administrator-Access Toll Tariffs for Tennessee, at 919-554-7399.

Sincerely,

C. Steve Parrott

Attachments

c: Bob Wallace  
Consumer Advocate

## **I. Purpose**

As we promised during the hearing in the TRA Docket No. 96-01235 and in accordance with the TRA's order dated November 12, 1996, United Telephone-Southeast, Inc. (United) has described herein the process for implementing Intralata Toll Dialing Parity in the United exchanges located in the state of Tennessee in United's LATA (Plan). The intent of this Plan is to provide a proposal that, upon implementation, would provide customers the ability to select the telecommunications carrier of their choice for routing their intraLATA toll calls.

## **II. IntraLATA Environment**

United customers in Tennessee in the United LATA can currently dial seven digits to complete local exchange or intraLATA toll calls. The scheduled date for implementation of toll dialing parity should not change this dialing pattern. After upgrading switch technology and software configurations, seven-digit dialed numbers that are intraLATA toll calls should be prefixed with the area code before being transmitted to the carrier. This prefixing should allow carriers to receive a seven-digit dialed intraLATA toll number as a complete ten digit number.

In 1995, toll-free intraLATA county-wide calling was initiated for United via an order from the Tennessee Public Service Commission. United currently maintains tax-code billing tables to identify "free county-wide" intraLATA toll calls originated by United intraLATA toll customers and to ensure that billing does not occur on these calls. United will continue to process toll-free intraLATA county-wide calls in this manner for its intraLATA toll customers after implementation of intraLATA toll dialing.

## **III. Implementation Schedule**

United will offer dialing parity for intraLATA toll in all of its Tennessee exchanges on or before June 24, 1997. Attachment A is a specific listing of all exchanges on record for the state of Tennessee.

## **IV. Carrier Selection Procedures**

United will implement the full 2-PIC carrier selection methodology. With the full 2-PIC methodology, customers will be able to presubscribe to one telecommunications carrier for interLATA toll calls and presubscribe to the same or a different participating telecommunications carrier, including their existing local exchange company, for all intraLATA toll calls. Orders for changes will be accepted and processed beginning on the implementation date.

United employees who communicate with the public, accept customer orders, and serve in customer service capacities will be trained to explain the process to customers for making PIC changes for intralata toll calls. Business Office personnel will be prepared to make changes in customer records based upon requests from customers or carriers. Processes will be in place to provide new customers with an opportunity to choose their intraLATA toll carrier from a list of available carriers.

### *Existing Customers*

Currently, United is the intraLATA toll provider for existing customers in United's local exchange area. On the date in which intraLATA toll presubscription is implemented in Tennessee, customers may presubscribe to United or any telecommunications carrier offering intraLATA toll service in their exchange. Customers will remain with United until they affirmatively choose an intraLATA toll carrier. Customers may make this selection through their own initiative or as a result of the promotional marketing activities of participating intraLATA toll telecommunications carriers. Customers may communicate their choice of carriers directly to United through the local Business Office or indirectly through their selected carriers. A charge will be established for "slamming" or unauthorized PIC changes submitted by carriers for end-user customers.

### *New Installation Customers*

Customers who contact United requesting new telephone exchange service are currently being provided a list of telecommunications carriers available to provide interLATA toll service. Upon implementation of intraLATA toll presubscription, the customer will be provided a second list of carriers, including United, that provide intraLATA toll service in their exchange. The list of intraLATA toll carriers will be presented in a competitively neutral manner. Customers who do not make a positive choice for an intraLATA toll carrier will be identified within United's system as a "no-PIC" and will not be automatically defaulted to a carrier. Customers identified as "no-PIC" within United's systems will be required to dial 10XXX to place intraLATA toll calls until they make an affirmative choice for an intraLATA toll carrier.

## **V. Customer Notification**

Customers will be notified a minimum of 30 days in advance of the offering of intralata toll dialing parity via a bill message. United anticipates that promotional strategies by carriers will contribute to customer awareness of intraLATA toll dialing parity. Customer telephone directories will be updated as new editions are published to reflect the opportunity for customers to choose an intraLATA toll carrier.

## **VI. Carrier Notification**

Current interexchange carriers will be notified of United's intraLATA toll dialing parity implementation via letter approximately 90 days in advance of the proposed implementation date. Carriers should provide a list of exchanges in which they plan to offer intraLATA toll service at least 60 days in advance of United's implementation date. United needs notification in advance to include the carrier on the list of participating carriers in each United exchange. Certified carriers who enter the market after implementation will be added to the list of participating carriers within 30 days of notifying United.

## **VII. Cost Recovery**

As stated in section 51.215 of FCC Order 96-333, CC Docket No. 96-98, "a LEC may recover the incremental costs necessary for the implementation of toll dialing parity. The LEC must recover such costs from all providers of telephone exchange service and telephone toll service in the area served by the LEC, including that LEC."

The incremental costs associated with implementing toll dialing parity by United include:

- 1) network hardware upgrades to provide the full 2-PIC methodology in all exchanges
- 2) central office software upgrades
- 3) software translations
- 4) system programming/testing
- 5) training for Business Office, Marketing, Carrier Services, Customer Services, and Service Center personnel
- 6) customer notification (bill message)
- 7) implementation activity

United proposes to recoup the incremental cost of implementing intraLATA toll dialing parity over a period of 2 years beginning on the date of implementation. A cost recovery per minute rate has been developed based on the identified cost divided by the

total of all carrier's originating intrastate minutes of use, which will include United's intraLATA toll minutes. Attachment B contains the total cost estimate based on the incremental costs identified above and the rate based on a recovery period of 2 years. The detailed cost study supporting this data is proprietary and provided under separate cover.

To minimize billing costs, United proposes to bill this cost recovery per minute rate as an adder for two years to the existing Carrier Common Line originating minutes rate element. The components of the Carrier Common Line rate element will be identified separately in the tariff. Carriers who enter the market after implementation will be assessed the adder in the same manner as other competing carriers.

## **Attachment A**

### **United Telephone-Southeast, Inc. IntraLATA Toll Dialing Parity Exchanges**

Baileyton  
Blountville  
Bluff City - Piney Flats  
Bristol, Tennessee  
Butler  
Church Hill - Mt. Carmel  
Elizabethton  
Erwin  
Fall Branch  
Greeneville  
Hampton  
Johnson City  
Jonesborough - Sulphur Springs  
Kingsport  
Limestone  
Midway (Sullivan County)  
Midway (Washington County)  
Mosheim  
Mountain City  
Roan Mountain  
Stoney Creek  
Sullivan Gardens

## **Attachment B**

### **United Telephone-Southeast, Inc. IntraLATA Toll Dialing Parity Cost Recovery**

Note: Information supporting the calculation of the per minute addition is considered Proprietary Information by United and has been marked as such and forwarded under separate cover.

<u>Total Cost Based on Incremental Items</u>	<u>Total Intralata Minutes (2 yrs)</u>	<u>Time Period</u>	<u>Per Minute Addition to Carrier Common Line</u>
\$ 93,925.29	592,554,440	2 years	\$0.00016

**Intralata Toll  
Dialing Parity  
Plan**

**United Telephone-Southeast, Inc.  
Tennessee**

**November 26, 1996**



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Bluff City - Piney Flats  
Bristol, Tennessee  
Butler  
Church Hill - Mt. Carmel  
Elizabethton  
Erwin  
Fall Branch  
Greeneville  
Hampton  
Johnson City  
Jonesborough - Sulphur Springs  
Kingsport  
Limestone  
Midway (Sullivan County)  
Midway (Washington County)  
Mosheim  
Mountain City  
Roan Mountain  
Stoney Creek  
Sullivan Gardens

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